

SOUTHWEST ASIA

Afghanistan

I. Summary

General political and economic circumstances in Afghanistan have improved since October 2002, but the narcotics situation remains serious, despite positive actions by both the government and international donors. Dangerous security conditions make implementing counternarcotics (CN) programs difficult and present a substantial obstacle to both poppy eradication efforts by the central government and to international efforts to provide related assistance. Given the profound destruction brought about by more than 20 years of conflict, the lack of many viable alternative crops to opium, and the limited enforcement capacity of the central government, poppy cultivation this year approached the highest levels ever registered. Despite the many obstacles, the Transitional Islamic Government of Afghanistan (TISA) has instituted major institutional and policy changes in its governmental machinery that directly benefit its counternarcotics objectives, and has established a sound structural basis to attack the problem. President Karzai has continually spoken out against the drug trade and has issued decrees banning it, an important statement of political will to combat cultivation and trafficking in illicit narcotics. International CN activities, following the overthrow of the Taliban and the installation of an interim government, remain under a multilateral mandate, with the United Kingdom as lead nation. The international community was hard at work at year's end planning with Afghan officials how best to attack Afghanistan's drug problem in a more aggressive manner, including more widespread eradication. Afghanistan is a party to the 1988 UN Drug Convention.

II. Status of Country

International and U.S. surveys indicate that in 2003 Afghanistan again produced three-quarters of the world's illicit opium. To a lesser extent, the country remains a significant location for the production and transit of all forms of unrefined (opium), refined (heroin) and semi-refined (morphine base) opiate products. While it is a large consumer of precursor chemicals, it is not a significant producer or transshipper of precursors. The drug economy in Afghanistan is deeply embedded, the product of more than a century of Afghan history. At present, criminal financiers and narcotics traffickers in and outside of Afghanistan have taken advantage of the on-going conflict and fragile security situation and have exploited poor farmers in a rural economy decimated by years of war and drought. The process of reconstruction which began in 2002 is accelerating and expanding, and is expected to improve the situation for successful counternarcotics programs in the future. Planning to change the current opium economy of many regions of Afghanistan is now well-launched.

III. Country Actions Against Drugs in 2003

Policy Initiatives. The U.S. and the international community, especially the UK as lead nation on CN and the local office of the UN Office on Drugs and Crime (UNODC), have maintained a dialogue with President Karzai and the Afghanistan National Security Council throughout the year on the subject of combating narcotics. The TISA has made significant structural, policy and institutional commitments to combating narcotics in Afghanistan, including the following:

- In March 2003, the TISA's CND (Counternarcotics Directorate) created the Counter-Narcotics Working Group, an inter-agency body that meets continuously (and publicly every two months) to formulate and coordinate the government's counternarcotics policy.

- On 19 May 2003, President Karzai signed a comprehensive, in- depth National Drug Control Strategy, in which all appropriate aspects of combating narcotics in Afghanistan are addressed. This National Strategy was created with participation of all elements of the TISA, as well as wide participation by international organizations, non-governmental organizations, and the public.
- On 3 June 2003, President Karzai signed a decree abolishing the former State High Commission for Drug Control and merged its regional offices into CND, taking a major step toward unification of national counternarcotics policy.
- In October 2003, the TISA made a formal request to the United States for assistance in creation of a central government-run, nationwide poppy eradication campaign. This request is under consideration and the TISA has committed to poppy eradication as a key element of its overall counternarcotics campaign.

These structural reforms have laid the foundation for a sound national government CN apparatus, and the addition in January 2004 of a new constitution further strengthened the government's hand. The country's first national elections since the fall of the Taliban government are planned for 2004, and establishment of a national government legitimized through democratic elections, and an improvement in the security situation, are expected to lead to greater adherence to the national CN strategy. Establishment of rule of law throughout the country, with a functioning police, judiciary, and prison system, will also permit further elements of a CN strategy to be put in place.

Law Enforcement Efforts. The most immediate concern of the TISA is to strengthen its national legitimacy by establishing security and rule of law throughout the country. In such an environment, significant drug enforcement work has not been possible outside limited areas. Efforts have rather been focused on planning for the near term future when a serious law enforcement effort will be mounted against illicit growing and trafficking of narcotics.

A new basic draft drug law has been proposed and is being reviewed by TISA officials. This draft law comports with international norms for counternarcotics laws. General training and expansion of the national police has been hampered by lack of donor commitments to the Law Enforcement Trust Fund for Afghanistan, which will support the police, including salaries, until the government of Afghanistan can raise revenue locally to fund this function. In this context, the national police, whose numbers are being augmented through an accelerated training program, have been more occupied with trying to improve the general security situation throughout the country, than with narcotics interdiction and enforcement.

The Ministry of Interior is eager to establish a fully operational, national counternarcotics unit. Germany, which has the lead on police assistance to Afghanistan, has written a plan for a narcotics enforcement unit. The U.S. has agreed to provide initial funding for such a unit and work is continuing on its establishment and deployment in the field. The U.S. is also providing funding for judicial reform and training in judicial and prosecutorial enforcement of counternarcotics laws.

The same limitations that adversely affect interdiction of narcotics and enforcement of the ban on narcotics cultivation and trafficking hamper the interdiction of precursor substances and processing equipment. The TISA has a sophisticated understanding of this issue, but action in this regard is dependent upon establishment of the necessary specialized police units. There are currently no registries or legal requirements for tracking, storing or owning such chemicals.

Corruption. In general, officials at the national level are believed to be free of direct criminal connection to the drug trade. At the provincial and district levels, however, drug-related corruption is believed to be pervasive. This ranges from direct participation in the criminal enterprise, to benefiting financially from taxation or other revenue streams generated by the drug trade. The central

government has officially condemned the drug trade, but its incomplete power throughout the national territory gives it limited abilities to control it.

Agreements and Treaties. Afghanistan is a party to the 1961 UN Single Convention, the 1971 UN Convention on Psychotropic Substances and the 1988 UN Drug Convention. The TISA has no extradition or legal assistance arrangements with the U.S. Afghanistan is not a party to any treaties providing for mutual legal assistance between itself and any of its neighbors, the U.S., or any other major CN nation. Afghanistan has signed and ratified the UN Convention against Transnational Organized Crime.

Illicit Cultivation/Production. Afghanistan contains the largest area of illicit opium poppy cultivation in the world. Poppy is grown commercially in 28 of its 32 provinces. With limited national enforcement reach, the TISA has simply not been able to enforce its decree banning opium production; only marginal crop destruction in a few locations has been undertaken. This eradication has had no material effect on the quantity of opium gum produced in Afghanistan. The aftermath of a quarter-century of warfare, multiple changes of government, and an embedded tradition of poppy cultivation have made it very difficult to implement well-designed plans for eradication.

Drug Flow/Transit. Drug cultivation in Afghanistan is facilitated by both domestic and foreign individuals who lend money and/or provide agricultural inputs to poor Afghan farmers, and then buy their crop at previously-set prices, or accept repayment of loans “in kind”, i.e., with deliveries of raw opium. In many provinces there also are opium markets, under effective protection of regional strongmen, where opium is traded freely to the highest bidder and is subject to taxation by those strongmen. An increasingly large portion of Afghanistan's raw opium crop is processed into heroin and morphine base by drug labs inside Afghanistan, reducing its bulk by a factor of 10 to 1, and thereby facilitating its movement to markets in Europe and Asia. Many lab owners also organize trafficking of the opiates to markets in Iran, Pakistan and Central Asia. Local Afghan financing of opium/heroin production and trafficking predominates. In the South, Southeast and Northeast border regions however, Pakistani nationals play a very prominent role in all aspects of the drug trade. Distribution networks are frequently organized along regional and ethnic lines (i.e., Baluch tribesmen on both sides of Afghanistan's border with Iran). Other organized criminal groups are also involved in transportation onwards to Turkey, Russia and the rest of Europe. The trend is towards increasing domestic refining of opiates in border regions of Afghanistan, due to financial and transportation incentives.

Demand Reduction/Domestic Programs. The TISA recognizes that it has a domestic drug use problem, particularly with opium. Its National Strategy includes demand reduction and rehabilitation programs for existing and potential drug abusers. However, in the context of the overall shortage of general medical services, very limited TISA resources are being directed to these programs. The U.S. and the U.K. have taken the lead in funding specific demand reduction and rehabilitation programs. The TISA (the Counter Narcotics Directorate) has been very receptive and cooperative in establishing public outreach campaigns in these areas.

IV. U.S. Policy Initiatives and Programs

The United Kingdom has been designated as international lead country on CN activities in Afghanistan. However, the U.S. has taken, and continues to take, a very prominent role in CN policy. The U.S. is promoting a tripartite counternarcotics campaign integrating law enforcement, poppy eradication, and alternative economic development as a substitute for poppy cultivation. The U.S. is integrating CN work into our more general law enforcement/police work as well.

The Road Ahead. The key element affecting CN activities in Afghanistan is limited security and stability. While the U.S. continues to push, along with the U.K., for increased CN efforts, all work in

this regard must be judged in the context of the need for political and institutional stability, economic reconstruction, and the establishment of basic law and order. In the meantime, poppy cultivation is likely to continue until rural poverty levels can be reduced via provision of alternative livelihoods and increased rural incomes. Sustained assistance to poppy-growing areas, diversification of crops, improved market access, and development of off-farm employment, combined with law enforcement and drug education, are expected gradually to reduce the amount of opium produced in Afghanistan. However, drug processing and trafficking can be expected to continue until security is established and drug law enforcement capabilities can be increased. Political stability and assistance by the donor community over many years will be required to help an Afghan government fully dedicated to countering its drug problem succeed.

Afghanistan Statistics

(1993–2002)

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Opium										
Potential Harvest (ha)	—	30,750	1,685	64,510	51,500	41,720	39,150	37,950	38,740	29,180
Eradication (ha)	—	—	—	—	—	—	—	—	—	—
Cultivation (ha)	—	30,750	1,685	64,510	51,500	41,720	39,150	37,950	38,740	29,180
Potential Yield ¹ (mt)	—	1,278	74	3,656	2,861	2,340	2,184	2,099	1,250	950

¹ Note: Potential production estimates for 1996-1999 have been revised upward from previous INCSRs, reflecting improved methodologies for estimating opium yields. The estimates of land area under poppy cultivation in Afghanistan for those are unchanged and have not been revised.

Bangladesh

I. Summary

Because of its geographic location in the midst of major drug producing and exporting countries, Bangladesh is used by trafficking organizations as a transit point. Seizures of heroin, phensidyl (a codeine-based, highly addictive cough syrup produced in India), and pathedine point to growing narcotic use in Bangladesh. Phensidyl is popular because of its low price and widespread availability. While unconfirmed reports of opium cultivation along the border with Burma exist, there is no evidence that Bangladesh is a significant producer or exporter of narcotics. The government's Department of Narcotics Control (DNC) lacks training, equipment, continuity of leadership, and other resources to detect and interdict the flow of drugs in country. Moreover, there is minimal coordination among the DNC, the police, the border defense forces known as the Bangladesh Rifles (BDR), and the judiciary's local magistrates in charge of orchestrating counternarcotics operations. Corruption at all levels of government, and in particular law enforcement, hamper the country's drug interdiction efforts. Bangladesh is a party to the 1988 UN Drug Convention.

II. Status of Country

Reports of opium production in the Bandarban District along the Burmese border have not been substantiated. The country's largely porous borders make Bangladesh an attractive transfer point for drugs transiting the region.

III. Country Actions Against Drugs in 2003

Policy Initiatives. The DNC's counternarcotics activities are seriously hampered by the ineffectiveness of the National Narcotics Control Board (NNCB), the highest governmental body to fulfill the objectives of the Narcotics Control Act (NCA). The 19-member NNCB, made of up of 12 ministers, six elected members, and the DNC Director General, is charged to meet quarterly, but held only one meeting in 2003. Article 5 of the NCA directs the Board to formulate policies and monitor the production, supply, and use of illegal drugs in Bangladesh.

The BDG and USG signed a Letter of Agreement (LOA) in September 2002 to provide \$140,000 in equipment to the DNC and its central chemical laboratory. The LOA also provided for \$338,922 in training, via ICITAP, to law enforcement personnel involved in counternarcotics activities. A preliminary assessment team from ICITAP visited Bangladesh in spring 2003 to meet the interested parties and draft a working plan. As a result of this visit, an amendment to the LOA was drafted detailing the project, including an additional \$250,000 in USG-funded training and equipment. The Amendment is under review by the BDG.

Accomplishments. The DNC is under the leadership of its sixth Director General since 2002. It is chronically under-funded, understaffed, and under-trained. Although there were some widely publicized police raids and seizures, the DNC's level of support from the BDG seems to be declining.

Law Enforcement Efforts. Law enforcement units engaged in counternarcotics operations include the police, the DNC, the BDR, and local magistrates. According to the BDG Directorate of Customs Intelligence and Investigation, drugs seized by Bangladesh authorities from January through October 2003 are as follows: 34.265 kilograms of heroin (approximately 6 percent of the amount seized during the same period last year); 8,117.898 kilograms of marijuana; 2898 ampules of T.D. jasic injection (over three times the amount seized during the same period last year); 28,288.71 liters of phensidyl (25 percent of the amount seized during the same period last year); and 1,276 ampules of pathedine

(approximately 9 percent of the amount seized during the same period last year). This overall reduction in seizures does not necessarily mean a decrease in drug use or trafficking, but instead may reflect a deterioration in Bangladeshi law enforcement units' ability or commitment to combat narcotics-trafficking.

Corruption. Corruption is a major problem at all levels of society and government in Bangladesh. Authorities involved in jobs that have an affect on the drug trade facilitate the smuggling of narcotics. Corrupt officials can be found throughout the chain of command. If caught, prosecuted, and convicted, most officials receive a reprimand at best and termination from government service at worst. Adjudicating authorities do not take these cases seriously. The BDG does not, as a matter of government policy, encourage or facilitate illicit production or distribution of drugs or controlled substances or launder proceeds from their transactions. No senior official has been identified as engaging in, encouraging, or facilitating the production or distribution of such drugs or substances.

Agreements and Treaties. Bangladesh is a party to the 1988 UN Drug Convention. It has a memorandum of understanding on narcotics cooperation with Iran, and it participates in information-sharing with the government of Burma.

Cultivation/Production. The DNC strongly denies unsubstantiated reports that opium production takes place in the Bandarban district along the border with Burma. However, it does acknowledge that a limited amount of cannabis is cultivated in the hill tracts near Chittagong and in the northeastern region, reportedly for local consumption. It has no plan to address this problem.

Drug Flow/Transit. There is some evidence that Bangladesh is used as a transit country for heroin to Europe. There were seven seizures of heroin hidden in fresh vegetable shipments from Dhaka in the UK in 2003. Bangladesh's air, sea, and land ports are guarded by officials who have little, if any, training on counternarcotics operations or equipment to carry out their job. Although the DNC is authorized 1,277 positions, only 932 are filled. There is no DNC presence at the country's second largest airport in Chittagong, which has direct flights to Burma and Thailand. Customs officers are untrained in detecting and interdicting drugs. To date, no random searches of crews, ships, boats, vehicles, or containers are being performed at the country's largest seaport in Chittagong. Elements of the BDR, responsible for land border security within a twelve-mile swath inside the country, are widely believed to abet the smuggling of goods, including narcotics, into Bangladesh.

Domestic Programs (Demand Reduction). The drug addicts rehabilitation organization, APON, and its affiliates, founded by a Catholic missionary, operates four long-term residential rehabilitation centers, the only such facilities in Bangladesh. The BDG outpatient and detoxification centers are not successful in dealing with the addiction problem in Bangladesh. The BDG sponsors rudimentary educational programs aimed at youth in schools and mosques, but there is little funding for these programs and no clear indication of their impact. A recent DNC study estimated the addict population at two million and growing.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. The USG continues to support Bangladesh counternarcotics efforts through various commodities and training assistance programs. Pursuant to the 2002 LOA, equipment and law enforcement courses will be provided in 2004, primarily to the police, but with the possibility of expanding these efforts to DNC officers, and members of the BDR. Other initiatives under consideration include the modernization of law enforcement training facilities in Bangladesh, and further development of anticorruption programs within the government.

The Road Ahead. The USG will continue to provide law enforcement training for BDG officials and work with the BDG to construct a comprehensive strategic plan to develop, professionalize, and institutionalize Bangladesh counternarcotics efforts.

India

I. Summary

India is the only country authorized by the international community to produce licit opium gum for pharmaceutical use; other licit producers use different methods. India's strategic location, between the two main sources of illicit opium Southeast and Southwest Asia make it a heroin transshipment area. Although most cannabis and hashish trafficked in India is smuggled from Nepal for export, the northwestern Indian state of Himachal Pradesh increasingly appears to be a center of for growing international hashish trafficking. India is a modest, but growing, producer of heroin destined for the international market. The Government of India (GOI) continually tightens licit opium diversion controls, but an unknown quantity of licit opium is diverted into illicit markets. In 2001, the GOI and the United States conducted a Joint Licit Opium Poppy Survey (JLOPS) to develop a methodology to estimate opium gum yield. The survey results confirmed the validity of a yield prediction methodology under study by the GOI, but lacked key data to apply the study's conclusions to India's 2002/03 licit opium crop. A second, more rigorous, JLOPS was conducted in 2003. The data revealed that Indian poppies have a low opium yield.

India's large and fairly advanced chemical industry manufactures a wide range of chemicals, including the precursor chemicals acetic anhydride (AA) and pseudoephedrine, which can be diverted for the manufacture of illicit narcotics. The GOI, working with the Indian Chemical Manufacturing Association, imposes strict access controls on AA, a chemical used to process opium into heroin. The GOI also fully controls other chemicals, including chemicals that can be used to manufacture methamphetamines. The GOI reviews its chemical controls annually and updates its list of "controlled substances" as necessary, recently adding a chemical the U.S. had requested be controlled. India is a party to the 1988 UN Drug Convention.

II. Status of Country

Licit opium poppy is grown in the states of Madhya Pradesh, Rajasthan, and Uttar Pradesh under a stringent licensing policy controlled by the Ministry of Finance's Central Bureau of Narcotics (CBN). India is the only country that produces raw opium gum for pharmaceutical use. U.S. pharmaceutical companies that process narcotic raw materials find opium gum is difficult to use because a residue remains after the narcotic alkaloids have been extracted, which must be disposed of with appropriate environmental safeguards. The GOI has supported this traditional opium production method as more suitable to India's agricultural and cultural circumstances than the more capital-intensive—and less diversion prone—concentrate of poppy straw (CPS) process. However, the GOI is examining possible CPS alternatives on a small scale to study their applicability to India's agricultural sector.

It is inherently difficult to control diversion of opium gum collection. Since poppies harvested through Concentrated Poppy Straw (CPS) are not lanced and since the dried poppy heads cannot be readily converted into a usable narcotics substance, diversion opportunities are minimal. However, in India, the sheer numbers of farmers and farm workers (over one million yearly) who come into contact with the poppy plants and their lucrative gum make diversion appealing and hard to monitor. Policing these farmers on privately held land scattered throughout three of India's largest states is a considerable challenge for the CBN.

All other legal producers of opium alkaloids, including Turkey, France, and Australia, produce concentrate of poppy straw (CPS), harvesting unlanced poppy capsules and using a chemical extraction process. India is exploring the possibility of conversion of some of its opium crop to the CPS method. The Ministry of Finance visited several countries that produce CPS in 2003 to observe

CPS extraction methods. However, regardless of the GOI's interest in CPS, the costs of the transfer, both in financial and social terms and the difficulty of purchasing the appropriate technology, are daunting. Since alkaloid extraction requires highly specialized equipment, the only places where such equipment and technologies would be available are in the other countries licensed to produce legal opiate alkaloids and thus in countries in direct competition with India.

Under the terms of international agreements, supervised by the International Narcotics Control Board, India must maintain licit opium production and carry-over stocks at levels no higher than those consistent with world demand to avoid excessive production and stockpiling, which could be diverted into illicit markets. India has complied with this requirement and succeeded in rebuilding stocks over the past three years from below-recommended levels. After failed crops caused low stocks, opium stocks now exceed minimum requirements, almost tripling between 1999 and 2003.

Licensed farmers are allowed to cultivate a maximum of 20 "ares" (1 "are" is 100 square meters, so 20 ares equals one-fifth of a hectare). "Opium years" straddle two calendar years. All farmers must deliver all the opium they produce to the government alone, meeting a minimum qualifying yield (MQY) specifying the number kilos of opium to be produced per HA, established by the CBN prior to licensing. At the time CBN establishes the MQY, it also publishes the price per kilo the farmer will receive for opium produced that meets the MQY as well as significantly higher prices for all opium turned into the CBN that exceeds the MQY. The MQYs are based on historical yield levels from licensed farmers during previous crops. Increasing the annual MQY has proven effective in increasing average yields, while deterring diversion, since, if the MQY is too low, farmers could clandestinely divert excess opium into illicit channels, where traffickers often pay up to ten times what the GOI can offer. Thus, an accurate estimate of the MQY is crucial to the success of the Indian licit production control regime.

During the 2002/03 crop year, CBN began to estimate the actual acreage under licit opium poppy cultivation by using satellite imagery, and then comparing it with exact field measurements. The survey was also used in conjunction with satellite imagery of weather conditions and to compare cultivation in similar geo-climatic zones to estimate potential crop yields and determine whether opium was being diverted. The satellite results were then confirmed by on-ground visits mentioned above.

In 2003, CBN again tightened its controls against diversion, conducting 100 percent measurement of each cultivated area. Any cultivation in excess of five percent of the allotted cultivation area was not only uprooted, but the cultivator was also deemed subject to prosecution. During the lancing period, the CBN appointed a village headman for each village to record the daily yield of opium from the cultivators under his charge. CBN regularly checked the register and physically verified the yield tendered at harvest.

The CBN is a significant player in India's overall control regime. The CBN conducts preventive checks and targeted raids based on intelligence to search for opium that might have been concealed by the cultivators. In the past during these raids, CBN officers discovered metric ton quantities (One year, 11 metric tons; the next, 7 metric tons) of concealed opium.

The GOI periodically raises the official price its offices pay to farmers for opium, but illicit market prices are four to five times higher than the base government price. Farmers who submit opium at levels above the MQY are paid a premium, but India's vigorous controls are crucial to avoid significant diversion, and premium prices can only act as a modest positive incentive.

There is no reliable estimate of diversion from India's licit opium industry. The GOI energetically denies that licit opium is diverted on a large scale. Clearly, some diversion does take place; however, it is not possible to pinpoint the amount accurately.

Heroin base (“brown sugar” heroin) is India's most popularly- abused heroin derivative. Indian “brown sugar” heroin is also available in Nepal, Bangladesh, Sri Lanka, and the Maldives. In 2001, the CBN detected and destroyed seven small-scale refining laboratories in India's licit opium poppy growing regions. Beginning in January 1999, Indian authorities have seized increasing amounts of refined (“white”) heroin, at least part of which was produced in India, destined for Sri Lanka and Europe.

III. Country Actions Against Drugs in 2003

Policy Initiatives. The amendment of India's stringent Narcotic Drugs and Psychotropic Substances (NDPS) Act of 1985 in October, 2001, brought significant flexibility to the sentencing structure for narcotics offenses in India. It removed obstacles faced by investigation officers related to search, seizure, and forfeiture of illegally acquired property and provided for controlled deliveries to facilitate investigation both within and outside the country. The amended NDPS Act also made it more likely that drug traffickers would be refused bail, particularly those serious offenders who are more likely to flee before trial. It also permitted the freezing of assets of the drug offender prior to a conviction. Penalties are low, however, discouraging full utilization of this provision, based on the argument that the proceduralism is not worth the trouble. In 2002, the value of property forfeited under the NDPS amounted to Rs. 23,636,425 (about \$525,253) and the value of property frozen under the NDPS was Rs. 5,233,300 (about \$104,000). No figures are available yet for 2003. Further amendments enacted in 2002, expanded entry, search, and seizure provisions in cases relating to financial investigations and controlled substances, giving investigating officers the same powers of investigation in cases related to precursor diversion as they have in other drug investigations.

The amended Act now provides for punishment in three categories, depending on the quantity of drugs seized (small, greater than small but lesser than commercial quantity, and commercial quantity). Punishments range from six months imprisonment and/or a fine of Rs.10,000 (\$213) for small quantities; to up to ten years imprisonment and/or a fine of Rs.100,000 (\$2,128) for the second category; and from ten to twenty years imprisonment and/or a fine of Rs.100,000- 200,000 (\$2,128-\$4,256) for commercial quantities.

Prior to the amendment, an individual found in possession of small quantities of a controlled substance was subjected to the same penalties as someone found trafficking in large quantities of narcotics. Judges were reluctant to find small-time traffickers and addicts guilty, as the mandatory sentence was ten years imprisonment. Defendants were frequently released on minor technicalities. The amended Act is expected to increase the conviction rate significantly for future violators of the NDPS. In September 2003, the conviction rate of 34 percent (4826 persons prosecuted, 1644 convictions) will likely reach or surpass the 42.5 percent conviction rate for all of 2002.

In April, 2003, GOI moved the NCB from under the control of the Ministry of Finance to the Ministry of Home Affairs. The Ministry of Finance remains the GOI's central coordinating ministry for counternarcotics and continues to cooperate with the NCB. The move should enhance the NCB's law enforcement capabilities and align the bureau with other GOI police agencies under the control of the Home Ministry. A number of proposals are also under consideration to bolster the professionalism of the NCB.

Accomplishments. In 2003, Indian Customs eradicated over 130 hectares of illicit poppy in the state of Himachal Pradesh. Indian authorities have established a continuous aerial/satellite-based system for monitoring licit and illicit opium cultivation nationwide, which became operational in early 2002 and was enhanced in 2003. During April 2003, pursuant to an ongoing investigation conducted by DEA and NCB, a major Indian heroin and hashish source of supply (SOS) was arrested in Mumbai, based on information obtained in a year long joint investigation for his involvement in the October 2002 seizure of over 1,200 pounds of hashish in Newark, New Jersey. As a result of this investigation, a number of the SOS's co-conspirators were arrested in the U.S. and Europe.

In May, 2003, NCB, working closely with DEA to develop the necessary intelligence, raided a residence in Calcutta and seized a significant quantity of laboratory equipment, some precursor chemicals used in the production of amphetamine, and incriminating documents. In addition, NCB arrested five individuals. This investigation was significant, as it was one of the first documented cases of large Chinese drug trafficking organizations attempting to utilize India as a manufacturing point for controlled substances and the first seizure of an amphetamine production facility in India. The CBN also launched a website to educate and assist importers and exporters on licit opium and precursor chemical requirements.

Law Enforcement Efforts. Through November 2003, NCB seized 668 kilograms of heroin in 3,246 cases. The majority of this heroin was seized in South India. Indian law enforcement agencies also seized 1,403 kilograms of opium in 589 cases and 49 kilograms of morphine in 131 cases through November 2003. The trends so far also show a steep decline in AA seizures, but a steep increase in ephedrine seizures. Cocaine debuted with several small seizures, confirming what news reports and law enforcement agencies said for several years, that cocaine is available in India on the wealthy “party circuit,” particularly in Mumbai and New Delhi. Methamphetamine seizures are down sharply.

During 2003, reflecting cooperation with drug abuse rehabilitation NGOs, the Delhi Police and Customs began raiding drug stores and wholesalers selling licit opiate pharmaceuticals for illicit use. The Delhi Police seized 40 cartons of buprenorphine with 72,000 injections in India's largest drug wholesale market as well as 25 kilograms of bulk diazepam.

Corruption. The Indian media regularly reports allegations of corruption against law enforcement personnel, elected politicians, and cabinet-level ministers of the GOI. The United States receives reports of narcotics-related corruption, but lacks the information to confirm those reports and the means to assess the overall scope of drug corruption in India. It is a reasonable assumption in a poor country like India that corruption does play some role in narcotics trafficking, despite the government's best efforts. Both the CBN and the NCB periodically take steps to arrest, convict, and punish corrupt officials within their ranks. The CBN frequently transfers officials in key drug producing areas. The CBN has increased the transparency of paying licensed opium farmers to prevent corruption and appointing village coordinators to monitor opium cultivation and harvest. These coordinators receive 10 percent of the total paid to the village for its crops, in addition to what they receive for their own crops, so it is advantageous to them to ensure that each farmer under their jurisdiction turns in the largest possible crop.

Agreements and Treaties. India is a party to the 1961 UN Single Convention on Narcotic Drugs and its 1972 Protocol, the 1971 UN Convention on Psychotropic Substances and the 1988 UN Drug Convention. The United States and India signed a Mutual Legal Assistance Treaty on October 17, 2001, which was ratified by the U.S. Senate, but is awaiting GOI ratification. The United States-India extradition treaty, which entered into force July 21 1999, replaced the 1931 U.S.-UK Extradition Treaty. Two drug-related extradition requests made under the Treaty are pending in Indian courts.

Illicit Cultivation/Production. Small-scale illicit cultivation of opium has existed for years in parts of India's northeast, along the region's border with Burma and China. There is also some illicit cultivation in the states of Himachal Pradesh and Jammu and Kashmir. Customs officials eradicated about 130 ha in Himachal Pradesh in 2003. Cultivation in easily accessible areas of Mizoram and Manipur was successfully eliminated in the early and mid-1990s, although poppy cultivation is experiencing a recent revival in Manipur, according to CBN officials. The bulk of India's illicit cultivation is now confined to Arunachal Pradesh, the most remote of northeastern states, which has no airfields and few roads. The terrain is mountainous, isolated jungle, requiring significant commodity and personnel resources. The need to combat the many insurgencies in the Northeast states has limited the number of personnel available for such time-consuming, labor-intensive campaigns and the GOI was unable to conduct such a campaign in 2003.

The CBN, however, is concerned that illicit opium production is rising, with an increasing percentage used for commercial purposes, for sale locally or to heroin producers across the Burma border. Current rough estimates by the local drug control officials put opium cultivation in Arunachal Pradesh at 1,500 to 2,000 hectares. There are no accurate estimates of opium gum yields, but CBN officials claim that the yields from illicit production in Arunachal Pradesh are very low—between two to six kilograms per hectare.

Drug Flow/Transit. Although trafficking patterns appear to be changing, India historically has been an important transit area for Southwest Asia heroin from Afghanistan and Pakistan and, to a lesser degree, from Southeast Asia—Burma, Thailand, and Laos. India's heroin seizures from these two regions continue to provide evidence of India's transshipment role. Most heroin transiting India appears bound for Europe. Seizures of Southwest Asian heroin made at New Delhi and Mumbai airports tend to reinforce this assessment. Increasingly significant seizures in Southern India, particularly in Tamil Nadu, confirm that smuggling of heroin from India to Sri Lanka continues unabated.

Trafficking groups operating in India fall into four categories: West African traffickers and trafficking groups; traffickers who maintain familial and/or tribal ties to Pakistan and Afghanistan; ethnic Tamil traffickers, centered primarily in Southern India, who are alleged to be involved in trafficking between India and Sri Lanka; and indigenous tribal groups in the northeastern states adjacent to Burma who maintain ties to Burmese trafficking organizations.

Indian-produced methamphetamine (mandrax) trafficking to Southern and Eastern Africa continues. Although South Africa has increased methamphetamine production, India is still believed to be among the world's largest known clandestine methamphetamine producers. Seizures of methamphetamine, which is trafficked in both pill and bulk form have varied significantly, from a high of 11,130 kilograms in 2002 to a low of 195 kilograms through September 2003. Cannabis smuggled from Nepal is mainly consumed within India, but some makes its way to western destinations.

Domestic Programs (Demand Reduction). Newspapers frequently refer to Ecstasy and cocaine use on the Mumbai and New Delhi “party circuit,” but there is no information on the extent of their use. While “brown sugar” and cannabis remain India's principal recreational drugs, intravenous drug use (IDU) of pharmaceutical opiates is rising in India, replacing to a large extent injectible heroin. Various licitly produced opiate pain killers, cough medicines, and codeine are just some of the substances that have emerged as the new drugs of choice. A recent study found that licit opiate abuse accounted for 43 percent of drug abuse. According to the study, drug users are largely young and predominantly male. More than a quarter are homeless, nearly half are unmarried, and 40 percent had less than a primary school education. Itinerant populations (e.g., truck drivers) are extremely susceptible to drug use. The number of women drug abusers is increasing rapidly. Most women IDUs exchange sex for drugs; many are commercial sex workers. Frequently, their children become drug users. India has just one residential treatment program for women IDUs. Widespread needle sharing has led to high rates of HIV/AIDS and overdoses.

The popularity of injecting licitly available medicines can be attributed to four factors. First, they are far less expensive than their illegal counterparts. Second, they provide quick, intense “highs” that many users prefer to the slower, longer-lasting highs resulting from heroin. Third, many IDUs believe that they experience fewer and milder withdrawal symptoms with pharmaceutical drug use. Finally, licit opiate pharmaceuticals are widely available and easy to obtain, since virtually any drug retail outlet will sell them without a prescription.

Because licit opiate pharmaceutical drugs produce shorter periods of intoxication, users must inject them more often, leading to more opportunities to spread diseases associated with IDU, such as HIV/AIDS and hepatitis. It is not uncommon for IDUs to share needles with as many as eight to 15 people a day. Estimates of HIV/AIDS prevalence among injecting drug users by India's National

AIDS Control Organization and by NGOs range from 39 percent in the Northeast to 15 percent in Chennai to 40 percent in New Delhi. The MSJE/UNODC study found that intravenous drug users often engaged in unprotected sexual intercourse, often with sex workers.

The GOI is promoting greater community participation and reaching out to high-risk population groups with an on-going community-based program for prevention, treatment and rehabilitation through some 400 NGOs throughout the country.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The United States has a close and cooperative relationship with the GOI on counternarcotics issues. In September 2003, the United States and India signed Letter of Agreement amendments to provide State Department drug assistance funding worth \$2.184 million for counternarcotics law enforcement. A separate grant of \$50,000 directly to NGO Navjyoti funds a drug rehabilitation project to train medical personnel to treat drug abusers and to provide community-based prevention services to slum areas, which have the highest rates of drug abuse in New Delhi.

The Letter of Agreement amendments will enhance the drug enforcement capacities of India's three major drug law enforcement agencies: NCB, CBN and Customs. The projects will provide equipment and training to help NCB, Customs and CBN to interdict illicit trafficked drugs and precursor chemicals and to help CBN better regulate the licit opium crop and eradicate illicit opium. Several projects focus on providing assistance to India's Northeast. Cooperation between the DEA and Indian drug enforcement authorities is expanding, particularly in investigations into precursor chemicals smuggled from India to key drug production areas.

The Road Ahead. The GOI has tightened controls over licit opium cultivation. Establishment of the U.S. Customs Office in New Delhi has opened up another important avenue of communication and cooperation on drug and transnational crime cases. The Ministry of Finance, the GOI lead for policy on drug control, is more actively shaping and coordinating drug and licit opium control strategies among India's various drug enforcement agencies and will take the lead in developing India's Financial Intelligence Unit to combat money laundering.

While the Finance Ministry will continue to coordinate counternarcotics cooperation, NCB's move to the Ministry of Home Affairs, will enhance the U.S. relationship with the Ministry's training division as well, in particular by streamlining law enforcement training to India's police and to the NCB. The GOI says it is increasingly concerned over the nexus between drug trafficking and terrorism. The GOI has recognized the need for stronger drug control efforts nationally, particularly in the Northeast. The United States will continue to explore opportunities to work with the GOI in addressing drug trafficking and production and other transnational crimes of common concern.

The Maldives

The Maldives is not a producer of narcotics or precursor chemicals. There is no evidence to suggest that the Maldives is a transit point for narcotics.

Consisting of approximately 1,100 islands set in the Indian Ocean, and with a population of approximately 270,000, the Republic of the Maldives has a comparatively small drug problem, but one with a growing societal impact. The Maldivian government and the U.S. maintain a good working relationship on counternarcotics issues. The Maldivian government is very sensitive to the illicit drug issue and is taking steps to address the problem. Government officials say that the magnitude of the problem may be exacerbated by the fact that 50 percent of the population is under 16 and that there are challenges in creating employment opportunities. Police remain actively committed, however, to fighting the illicit drug trade to the fullest extent possible. Officials point to the large number of foreign workers, mainly Indians and Sri Lankans who work in the country's resorts, as the source of the majority of drug trafficking. Following the September 2003 civil unrest in Male', blamed in part on former convicts, including those involved in cases involving drugs, the President called for a national campaign against narcotics.

Although there is no evidence at this time suggesting that the Maldives is a transshipment point for narcotics, international observers and some government officials remain wary about the country's potential to become a transshipment point for smugglers. As the country has a large amount of commerce and traffic via the sea, Customs Service and police find it difficult to search all ships. Officials believe, however, that most drugs enter the country by sea. In late 2002, Maldivian and Sri Lankan officials jointly participated in training to use drug sniffing dogs to help search vessels.

The U.S. has assisted the Maldives in counternarcotics activities, including via direct training and through the Colombo Plan. In 2004, the Colombo Plan is scheduled to conduct U.S.-funded regional narcotics officer training in the Maldives. Previous U.S. government funding to the Maldivian government in 1993 created a computerized immigration record-keeping system, in part to track the movements of alleged drug traffickers. This was followed by additional U.S. funding in 1996 to enhance the system.

In November 1997, the Maldivian government established a Narcotics Control Board (NCB) under the Executive Office of the President. The NCB principally oversees rehabilitation of addicts, and coordinates the efforts of NGOs and other individuals engaged in counternarcotics activities. The Board's Commissioner, a military officer, has concurrent duties in the Maldivian National Security Service. He also coordinates drug interdiction activities. In November 2003, the President, in a renewed focus on counternarcotics, placed the Narcotics Control Board under the Ministry of Gender, Family Development, and Social Security. In further steps in November 2003, the Department of Corrections was renamed the Department of Penitentiary and Rehabilitation Services, with a focus on rehabilitating offenders.

In 1997, the government established the country's first drug rehabilitation center, with space for several dozen clients. With the expansion of the rehabilitation program, and a move to the land previously occupied by the national prison, the center now houses up to 300 clients at any one time. The center continues to be inundated by the large number of people ordered to undergo rehabilitation, however. The waiting list for the center, at times, exceeds the number of individuals currently being treated. The NCB maintains an ongoing program designed to prevent relapse.

The Republic of the Maldives has no extradition treaty with the United States. In 1994, however, the Maldives cooperated with the U.S. in rendering a Nigerian national to the United States to face narcotics trafficking charges. The Maldivian government is a party to the 1988 UN Drug Convention..

Nepal

I. Summary

Although Nepal is neither a significant producer of, nor a major transit route for, narcotic drugs, small amounts of cannabis, hashish and heroin are trafficked to and through Nepal every year. Seizures of heroin quadrupled in 2003 compared to the year before. An increase in the use of Nepalese couriers suggests that the country's citizens are becoming more involved in trafficking. Customs and border controls remain weak, but international cooperation has resulted in increased narcotics-related indictments in Nepal and abroad. Nepal's Narcotics Drug Control Law Enforcement Unit (NDCLEU) has enhanced both the country's enforcement capacity and its expertise. Nepal is a party to the 1988 UN Drug Convention.

II. Status of Country

Heroin from Southwest and Southeast Asia is smuggled into Nepal across the open border with India and through Kathmandu's international airport. Police have confirmed that production of cannabis is on the rise in the southern areas of the country, and that most is destined for the Indian market. Police have also intercepted locally grown hashish en route to India, in quantities of up to 285 kilograms at a time, and media reports have speculated that Nepal's Maoist guerrillas are involved in drug smuggling to finance their insurgency. The NDCLEU reports that the Maoists levy a 40 percent tax on cannabis production in their controlled areas. Abuse of locally grown and wild cannabis and hashish, marketed in freelance operations, remains widespread. Licit, codeine-based medicines continue to be abused. Nepal is not a producer of chemical precursors.

III. Country Actions Against Drugs in 2003

Policy Initiatives. Nepal's basic drug law is the Narcotic Drugs (Control) Act, 2033 (1976). Under this law, the cultivation, production, preparation, manufacture, export, import, purchase, possession, sale, and consumption of most commonly abused drugs are illegal. The Narcotics Control Act, amended last in 1993, conforms in part to the 1961 UN Single Convention on Narcotic Drugs and its 1972 Protocol by addressing narcotics production, manufacture, sales, import, and export. Nepal developed, in association with the United Nations Office of Drugs and Crime (UNODC), a Master Plan for Drug Abuse Control (MPDAC), and has been implementing it actively.

Legislative action on mutual legal assistance and witness protection, developed as part of the MPDAC, remained stalled for a second year due to the Maoist insurgency and the dissolution of parliament. The government has not submitted scheduled amendments to its Customs Act to control precursor chemicals. Legislation on asset seizures or criminal conspiracy has not yet been drafted.

Accomplishments. The Government of Nepal (GON) continues to coordinate its counternarcotics efforts regionally, and actively cooperates in international efforts to identify and arrest traffickers. Cooperation between the DEA and Nepal's NDCLEU has been excellent and has resulted in indictments both in Nepal and abroad.

Law Enforcement Efforts. The NDCLEU has developed an intelligence wing, but its effectiveness remains constrained by a lack of transport, communications, and surveillance equipment. Coordination and cooperation among NDCLEU and Nepal's customs and immigration services, while still problematic, is improving. Crop destruction efforts have been hampered by the reallocation of resources to fight the Maoist insurgency and the lack of security in the countryside. Final statistical data for 2002 and data through October 2003 indicate that destruction of cannabis plants declined

while opium in cultivation increased. Also during the first 10 months of 2003, the Nepal Police arrested 91 foreigners under drug trafficking charges, the highest number of foreigners ever. Additionally, the NDCLEU seized four times the amount of heroin in 2003 as compared with 2002. Cannabis seizures nearly doubled from 2,875 kilograms in 2002 to 4,458 kilograms in 2003. NDCLEU reported that it seized 101 kilograms of hashish, but no cannabis, at Kathmandu's Tribhuvan International Airport (TIA) in 2003. No opium was seized in 2003. Seizures of heroin increased dramatically, although the absolute quantity (a total of approximately 22 kilograms) remained small. Most seizures of heroin, hashish, and opium in 2003 occurred within Kathmandu or at TIA as passengers departed Nepal.

Corruption. Nepal continues to have no laws to punish public corruption relating to narcotics, especially by senior government officials. However, there is no record that senior government officials have facilitated the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances or that they have discouraged or otherwise hampered the investigation or prosecution of such acts.

Agreements And Treaties. Nepal is party to the 1998 UN Drug Convention; the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol; and the 1993 South Asian Association for Regional Cooperation (SAARC) Convention on Narcotics Drugs and Psychotropic Substances. Nepal has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime.

Cultivation/Production. Cannabis is an indigenous plant in Nepal, and cultivation of developed varieties is rising, particularly in lowland areas. There is some small-scale cultivation of opium poppy, but detection is difficult since it is interspersed among licit crops. Nepali drug enforcement officials believe that all heroin seized in Nepal originates elsewhere. Nepal produces no precursor chemicals. Importers of dual-use precursor chemicals must obtain a license and submit bimonthly reports on usage to the Home Ministry. There have been no reports of the illicit use of licensed imported chemicals.

Drug Flow/Transit. Narcotics seizures suggest that narcotics transit Nepal from the east and west in equal proportions. Media reports claim that most narcotics are bound for India, and law enforcement sources indicate that most seizures occur at the India/Nepal border. Customs and border controls are weak along Nepal's land borders with India and China. The Indian border is open. Security measures to interdict narcotics and contraband at Kathmandu's international airport and at Nepal's regional airports with direct flights to India are inadequate. The Government of Nepal (GON), along with other governments, is working to increase the level of security at the international airport, and the Royal Nepal Army is detailed to assist with airport security.

Arrests of Nepalese couriers in other countries suggest that Nepalese are becoming more involved in trafficking and that Nepal may be increasingly used as a transit point for destinations in South and South East Asia, as well as Europe (Spain, the Netherlands and Switzerland). The NDCLEU has also identified the United States as a final destination for some drugs transiting Nepal, typically routed through Bangkok.

Domestic Programs (Demand Reduction). The GON continues to implement its national drug demand reduction strategy in association with the Sri Lanka-based Colombo Plan, the United States, UNODC, donor agencies, and NGOs. However, resource constraints limit significant progress.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S. policy is to strengthen Nepal's law enforcement capacity to combat narcotics trafficking and related crimes, to maintain positive bilateral cooperation, and to encourage Nepal to enact and implement appropriate laws and regulations to meet all objectives of the 1988 UN Drug

Convention. The United States, NDCLEU, and other donor nations work together through regional drug liaison offices and through the Kathmandu Mini-Dublin Group of Countries Offering Narcotics Related Assistance.

Bilateral Cooperation. The United States works with GON agencies to implement Nepal's master plan for drug abuse control and to provide expertise and training in enforcement. Nepal exchanges drug trafficking information with regional states and occasionally with destination states in Europe in connection with international narcotics investigations and proceedings.

The Road Ahead. The United States will continue information exchanges, training, and enforcement cooperation; will work with the UNODC to strengthen the NDCLEU; and will support improvements in the Nepali customs service. The United States will encourage the GON to enact stalled drug legislation.

Pakistan

I. Summary

While not nearly as significant a producer of illicit narcotics as neighboring Afghanistan, Pakistan is the site of some opium poppy cultivation as well as an important transit country for Afghan opiates and hashish. Pakistani traffickers may also play an important role in financing and organizing opium production in Afghanistan. In 2003, the USG estimated through aerial and ground surveys that Pakistan's opium poppy crop rose to approximately 2,500-3,000 hectares from 622 hectares in 2002. The Government of Pakistan's (GOP's) cooperation on drug control with the United States remains excellent. GOP counternarcotics efforts are led by the Anti Narcotics Force (ANF), but include several law enforcement agencies as well as the Home Departments of Northwest Frontier Province (NWFP) and Baluchistan Province. DEA has evidence that there are some small heroin production facilities in Pakistan.

There was modest progress in 2003 on extraditions, with one individual extradited to the United States and three other cases pending. Efforts underway since 2001 to enhance border security as a measure against terrorism have improved the ability of law enforcement forces to enter into previously inaccessible tribal areas on the border where some of the drug trafficking takes place. Pakistan is a party to the 1988 UN Drug Convention.

II. Status of Country

After being declared a "poppy-free nation" by the United Nations in 2001, opium poppy cultivation in Pakistan increased in 2003. Ground and aerial surveys conducted by NAS (U.S. Embassy Narcotics Affairs Section), the NWFP Home Department, and the ANF indicated that the opium poppy crop remaining in NWFP was in the range of 2,000-2,600 hectares after eradication of some 1893 hectares. The ANF estimated that approximately 500 hectares in Baluchistan remained after eradication of 2,289 hectares, but as NAS was unable to independently verify survey results, due to the security situation, this figure could prove to be inaccurate. While insignificant compared to neighboring Afghanistan (and to the many thousands of hectares under cultivation in Pakistan in the 1990s), the increase is troubling, not only because cultivation increased overall (from 622 hectares in 2002), but also because it expanded into new areas in Orakzai, Kurram, and North and South Waziristan in NWFP and Gulistan and Qila Abdullah in Baluchistan. The increase may have been due to any number of factors: high opium prices, spillover from Afghanistan, lack of alternative development programs, a desire on the part of farmers for cash payments as in Afghanistan, underreporting by GOP-appointed political authorities in the cultivation regions (resulting in less effort in negotiation with growers), and possibly that the GOP's post-9/11 focus on counter terrorism in the same regions as poppy cultivation resulted in farmers' expectations of a diminished effort to contain poppy cultivation. This cultivation takes place in rugged, isolated areas, where tribal populations harbor little sympathy or support for GOP law enforcement programs, and where alternative sources of income are few. Thus, the effort necessary to eliminate it completely would be quite significant.

Pakistan remains a substantial trafficking country for heroin, morphine, and hashish from Afghanistan. Pakistani traffickers also play an important role in financing and organizing opium production in Afghanistan. Control of narcotics trafficking along the remote 1,450-mile border has presented a major challenge for the GOP. Interdiction operations on the border occur, but drug convoys are small, well guarded, and mobile, with good communications capability and the ability to take advantage of difficult terrain and widely dispersed law enforcement personnel to smuggle drugs through Pakistan. An ambitious Border Security Project begun in 2002, however, significantly improved GOP capacity

on the border in 2003, and continuing USG assistance should result in even greater advances in 2004 and beyond.

The steady flow of drugs transiting Pakistan has taken a social toll, fueling domestic addiction and contributing to persistent corruption. Pakistan has established a chemical controls program that monitors the importation of controlled chemicals. While some diversion of precursors may occur in Pakistan, it is not believed to be a major precursor transit country. DEA has evidence that there are some heroin production laboratories in Pakistan, but that they are generally small family-run entities producing only 10-20 kilograms of heroin. This paucity of Pakistani labs may be because Pakistani criminal elements have relocated labs to Afghanistan, nearer their sources of raw opium gum, and even less likely to face enforcement action than in Pakistan.

III. Country Actions Against Drugs in 2003

Policy Initiatives. The GOP's USG-supported Border Security Project (begun in 2002) made significant progress in 2003. The project is aimed at strengthening security along Pakistan's western border by training border forces; providing vehicles and surveillance and communications equipment to enhance the GOP's ability to patrol the remote border areas; and an aviation program to enable aerial surveillance and interdiction missions along the border. A key component is the Ministry of Interior's U.S.-supported Air Wing, based in Quetta, which now includes five U.S.-supplied Huey II helicopters (delivered in 2002) and three fixed-wing reconnaissance aircraft (delivered in September, 2003). Basic training of pilots, gunners, and mechanics for the helicopters was largely completed in 2003 and training for the fixed-wing pilots and crews began in 2003 with a projected completion date of mid-2004. The ANF has conducted initial aerial poppy surveys with the helicopters and is planning a series of such surveys—using both their own and USG-supplied MOI Air Wing helicopters—during the 2003-2004 growing season. Around-the-clock air mobility and appropriate unit training will permit Pakistan border security forces to monitor more closely the movement of people and goods across the border and to interdict heavily armed traffickers of narcotics and other contraband. Border security will be further enhanced by construction of some 400 kilometers of roads in the remote Federally Administered Tribal Areas (FATA) adjacent to Northwest Frontier Province (NWFP).

The GOP was taken by surprise by the increase in opium poppy cultivation in 2002-2003, but took positive steps to address it in 2003. In Baluchistan Province, where poppy was reported for the first time, the ANF took a proactive approach, delivering a strong antipoppy message to growers before and during the October-November sowing season via warnings in the local media and in person by provincial and tribal authorities. Shortly after the sowing season in Baluchistan, ANF carried out some eradication and arrested fourteen growers, six of whom were sentenced to prison terms. In the FATA, the traditional cultivation region, the ANF has very limited jurisdiction, but NAS and GOP officials have met regularly during the pre-sowing and early growing season with political authorities who do have authority there to ensure that the tribal residents understand that if the ban on cultivation is not complied with, the GOP will undertake forced eradication and, if necessary, impose fines, arrest growers, and take other measures provided for under special law applicable to the FATA. Through U.S.-funded crop control programs in Mohmand and Bajaur tribal agencies, the GOP's Communications and Works Department continues its maintenance and upkeep of roads constructed in previous years, which enhance the movement of legitimate commerce and the efficacy of law enforcement. The GOP also continued the construction of USG-funded roads in previously inaccessible areas within Khyber Agency to implement alternate development programs and to strengthen law enforcement.

Accomplishments. In 2003, the GOP took important steps to prevent the level of opium poppy cultivation from increasing further while strengthening border controls to cut back on trafficking in the face of increased opium availability in Afghanistan. The special narcotics courts established in 2001

continued to produce commendable results despite limited resources. As of October 31, 2003, the ANF had registered 530 narcotics cases in the GOP's court system, 83 of which were decided with a 94 percent conviction rate.

Law Enforcement Efforts. The ANF is Pakistan's leading narcotics law enforcement agency. In 2003, the ANF addressed staffing shortfalls by hiring 115 officers at all rank levels. The performance of the Special Investigative Cell (SIC) of the ANF (established in 2000), which targets major trafficking organizations, continued to improve. This DEA-trained and vetted unit arrested 106 persons during 2003, a 43 percent increase over 2002. It added seven members, bringing its total strength to 59 personnel. During 2003, the SIC assisted DEA Islamabad and DEA Los Angeles in arresting nine members of a large Pakistan based heroin-trafficking organization. These arrests led to the arrests of additional U.S. criminals and provided law enforcement officials with leads to other criminal suspects alleged to be involved in trafficking.

In 2003, GOP security forces seized 34 metric tons of heroin, 5.4 metric tons of opium, and 87.8 metric tons of hashish, and arrested 46,346 individuals on drug-related charges. Compared to 2002, heroin seizures in 2003 increased by 283 percent; opium by 125 percent; and hashish by 24 percent. ANF and Frontier Corps Baluchistan, which cover the major trafficking routes from Afghanistan, were responsible for 63 percent of the seizures. The GOP has attributed the increase, especially in Baluchistan, to sharply increased opium production in Afghanistan and to USG-supplied Border Security Project equipment, which improved their capacity to access remote areas. The United States continues to encourage better interagency coordination among these agencies, with limited success to date. ANF has, however, established excellent cooperation with customs and airport security forces in the major cities. ANF and Customs have interdicted heroin couriers of all nationalities, many from West Africa to destinations in Africa and Thailand. Preferred methods of shipment were via hard-side luggage, narcotics strapped to the body and concealed from drug sniffing dogs with special sprays, or through the use of legal objects (speakers, cards, spools of thread, etc.) impregnated or soaked with heroin and sent through commercial courier services.

Through November 15, 2003, the amount of drug traffickers' frozen assets stood at \$5.4 million and \$1.2 million in property was forfeited.

The 2002 conviction and death sentence of Munawar Hussain Manj, a former Member of the National Assembly, was reversed on appeal by the Lahore High Court, and the death sentence against his codefendants was reduced to life imprisonment. ANF has been granted leave to appeal the result. Two separate cases against Rehmat Shah Afridi, editor of the Peshawar-based independent daily "The Frontier Post," were consolidated and tried in the Lahore Special Court, which returned convictions and imposed the death sentence. He has appealed. Five major forfeiture cases involving some \$19 million were initiated and are pending in the Special Courts.

The new narcotics courts have improved the handling of drug cases, but only the major cases are tried there, and other prosecutions still languish in the system for years. Corruption in the judiciary is rampant. ANF retains its own special prosecutors who have achieved some admirable results, but who all too often see their cases reversed on appeal by corrupt judges.

Corruption. The United States has no evidence that the GOP or any of its senior officials encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. With government salaries low and societal and government corruption endemic; however, one cannot rule out some narcotics-related corruption. The government's National Accountability Bureau (NAB) has taken some important steps to address official corruption. In 2003 (through December 6) the NAB investigated 104 corruption cases. 101 were decided, of which 59 were convictions, 18 acquittals, and 13 plea bargains. Through this process, the NAB recovered a total of nearly two billion U.S. dollars from politicians, businessmen, and civil servants found guilty in special accountability courts.

Agreements and Treaties. Pakistan is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs as amended by the 1972 Protocol, and the 1971 Convention on Psychotropic Substances. The United States is providing counternarcotics and law enforcement assistance to Pakistan under a letter of agreement (LOA) that provides for cooperation in the areas of border security, opium poppy eradication, narcotics law enforcement, and drug demand reduction. Extradition is carried out under the terms of the 1931 U.S.-U.K. Extradition Treaty, which continued in force for Pakistan following its independence. One extradition occurred in 2003, but GOP lack of action on several other pending requests continues to be of concern.

Cultivation/Production. The NAS and ANF estimated that approximately 6,000-6,500 hectares of opium poppy were cultivated in Pakistan in 2003 (between 3,400-3,800 hectares in the FATA and approximately 2,800 in Baluchistan). Slightly over half of the crop was eradicated, leaving some 2500-3000 hectares remaining, up from 622 hectares after eradication in 2002. Cultivation took place both in the traditional growing area, the Bara River Valley of Khyber Agency, and in new areas where it had not been seen before—Orakzai, Kurram, and North and South Waziristan in the FATA and Gulistan and Qila Abdullah in Baluchistan. The GOP estimates potential opium production for 2003 at approximately 62-75 metric tons. This is based on an estimated yield of 25 kilograms per hectare of opium poppy, although the GOP has no real scientific basis for this estimate.

Drug Flow/Transit. Both Afghan-origin hashish and opiates transit through Pakistan. Afghanistan opium poppy cultivation has skyrocketed since 2001, and Pakistan's importance as a transit country has increased proportionately, particularly as a conduit to Turkey and Iran. Afghan opiates trafficked to Europe and North America enter Pakistan's Baluchistan and NWFP provinces and exit either through Iran or Pakistan's Makran coast, or through international airports located in Pakistan's major cities. Traffickers also transit land routes from Baluchistan to Iran and from the tribal agencies of NWFP to Chitral, where they re-enter Afghanistan at Badakhshan province for transit through Central Asia. Pakistani traffickers are also an important source of financing to the poor farmers of Afghanistan who otherwise would not be able to produce opium.

Available evidence indicates that traffickers are transporting smaller quantities of illicit drugs in an attempt to reduce the size of seizures and protect their investment. This “shotgun” approach has increased the number of transporters who move smaller loads; the seizures of 100-kilo shipments of several years ago have been replaced by seized shipments of 20-100 kilos.

Pakistan is a major consumer of Afghan opium/heroin, although the majority of the heroin smuggled out of Southwest Asia through Pakistan continues to go to the European market, including Russia and Eastern Europe. The balance goes to the Western Hemisphere and to Southeast Asia where it appears to supplement shortfalls in opiates in that region. Couriers intercepted in Pakistan this year were en route to Africa, Nepal, Europe, Thailand, Bangladesh, Sri Lanka, and the Middle East (especially the United Arab Emirates).

Domestic Programs (Demand Reduction). Drug abuse is significant in Pakistan and is increasing everywhere, especially in the FATA, where lack of economic opportunity and physical isolation create the conditions in which addiction thrives. Reliable data are hard to come by, but the GOP's best estimate is that there are some 3.5 million users, with hashish and heroin the most commonly abused drugs. Users are increasingly injecting narcotics, which has raised the concern that HIV infection rates may rise as well. The GOP views addicts as victims, not criminals. Although resources for domestic programs are very limited, the GOP took important steps in 2003 to address the problem. The most significant was approval of a \$500,000 program to establish two model addiction and rehabilitation centers in Islamabad and Quetta. There was a considerable mass awareness campaign as well, involving newspaper, TV, and radio spots, puppet shows and lectures in the schools, distribution of calendars and pins with counternarcotics messages, and a commemorative postage stamp. While the GOP has the will to do more, it lacks the resources.

IV. U.S. Policy Initiatives and Programs

U.S. counternarcotics policy objectives for 2003 are: to urge the GOP to develop a new counternarcotics master plan; to continue to help the GOP strengthen the security of its western border; to encourage the GOP to eliminate remaining opium poppy cultivation and discourage any spread of cultivation; to increase interdiction of opiates from Afghanistan; to help dismantle major trafficking organizations; to expand demand reduction efforts; to enhance cooperation regarding the extradition of narcotics fugitives; to encourage efforts against white collar crime such as money laundering; to press for reform of the law enforcement forces operating in Pakistan's tribal regions; and to encourage cooperation and coordination among GOP agencies with counternarcotics responsibilities.

Bilateral Cooperation. The United States provided \$1.4 million in operational and commodity assistance to the Anti-narcotics Force in the GOP's 2002-2003 fiscal year (including Border Security Project funding for counternarcotics efforts), and \$9.4 million in counternarcotics roads and crop control programs, including \$3.5 million for the Khyber Area Project. In addition, the USG provided \$8.8 million in commodity assistance to Frontier Corps NWFP and Baluchistan, who perform many counternarcotics missions along the border. The \$37.5 million NAS-supported MOI Air Wing program will provide significant benefits to counternarcotics efforts as well. DEA provided \$98,000 in 2003 for the ANF's Special Investigative Cell.

The ANF continues to work effectively with DEA to conduct more effective investigations. The creation of the SIC, trained and equipped by the United States, represents an important milestone in improving GOP counternarcotics efforts. The unit continues to perform work throughout Pakistan, and their DEA-supported expansion has begun, which will include obtaining and equipping a facility and vetting an additional 31 members. Plans include additional support with intelligence and interdiction operations.

The Road Ahead. Even with the provision of air and ground mobility and communications capacity through the border security program, the GOP will face an immense challenge in the coming year to interdict the increasing supply of drugs from Afghanistan that pass through an extensive and permeable border into Pakistani territory. The GOP and USG will need to work together to develop a strategy to utilize new resources wisely, increase coordination among the eleven agencies that have counternarcotics responsibilities, and put training to best use. In coordination with the border security program, the U.S. will work with the GOP to put greater emphasis on the development of drug intelligence as it directly relates to trans-border trafficking activity and to target kingpin smuggling operations. Continued efforts to streamline and reform law enforcement, to investigate and prosecute corruption, and to speed up the pace of the counternarcotics judicial process will also be key to greater success against the drug trade in the future. The United States will continue to work with the GOP to expedite extradition requests and to strengthen Pakistan's ability to attack money laundering, particularly by encouraging the passage of money laundering legislation that meets both UN and Financial Action Task Force standards.

Pakistan Statistics

(1994–2003)

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Opium										
Potential Harvest (ha)	3,000	622	213	515	1,570	3,030	4,100	3,400	6,950	7,270
Eradication (ha)	3,000	—	1,484	1,704	1,197	2,194	654	867	0	463
Cultivation (ha)	6,000	—	1,697	2,219	2,767	5,224	4,754	4,267	6,950	7,733
Potential Yield (mt)	62	5	5	11	37	65	85	75	155	160
Seizures										
Opium (mt)	5.4	2.4	5.2	7.84	16.32	5.02	8.54	8.08	215.52	14.36
Heroin (mt)	34	8.9	6.0	7.41	4.98	3.33	5.07	4.05	18.04	6.20
Hashish/Marijuana (mt)	87.8	70.7	53	108.16	81.46	65.33	108.50	201.55	543.58	178.29
Labs Destroyed	—	0	0	0	2	0	4	10	15	18
Acetic Anhydride (ltr)	—	0	0	43	422	10,000	5,383	—	—	—
Arrests	46,346	—	—	35,969	45,175	37,745	50,565	51,119	59,081	48,296

Sri Lanka

I. Summary

Sri Lanka has a relatively small-scale drug problem. The Sri Lankan government (SLG) has a solid record of targeting drug traffickers and implementing nation-wide demand reduction programs. In 2003, the U.S. Government (USG) continued its strong relationship with the Sri Lankan Government (SLG) on counternarcotics issues and Sri Lanka took an active role in regional counternarcotics efforts. The continued ceasefire with the Liberation Tigers of Tamil Eelam (LTTE) has allowed the government to commit more resources to counternarcotics efforts. The resulting change in the country's security situation, however, has also created additional avenues for drug traffickers, which government officials are working to address. The government continued to make available to other nations in the South Asian Association for Regional Cooperation (SAARC) a USG-funded database on narcotics arrests and related information. Although Sri Lanka has signed the 1988 UN Drug Convention, Parliament had not enacted implementing legislation for the Convention as of the end of 2003.

II. Status of Country

Sri Lanka is not a significant producer of narcotics or precursor chemicals. SLG officials remain on guard against efforts by traffickers to use Sri Lanka as a transit point for narcotics smuggling. With respect to domestic illicit drug use, Sri Lanka has a modest drug problem with some consumption of heroin, cannabis, and, more recently, Ecstasy (MDMA).

III. Country Actions Against Drugs in 2003

Policy Initiatives. In 2003, the SLG continued to implement its counternarcotics programs. The lead agency in these efforts was the Police Narcotics Bureau (PNB), which remained guided by the Sri Lankan counternarcotics master plan, originally developed in 1994. The PNB's efforts have not been affected by President Kumaratunga's sudden assumption of control of the Interior Ministry (which controls police functions) in November 2003.

Accomplishments. Sri Lanka continued to work with SAARC and the United Nations Organization for Drug Control (UNODC) on regional narcotics issues. The Colombo Plan continues as a major resource for research and assistance on drug abuse issues in South Asia.

Law Enforcement Efforts. The PNB, the Customs Service, and the Department of Excise remained jointly responsible for discouraging cannabis production. The PNB estimates that the level of narcotics entering the country is comparable to previous years, but that the bureau is having more success with interdiction and thus netting a higher quantity of drugs seized.. In November 2003, for example, police arrested an alleged major drug dealer in the capital city of Colombo. In the operation, police reportedly seized 23 kilograms of heroin, valued locally at around \$460,000. There were a number of other small-scale seizures of heroin and other drugs by the PNB in 2003.

Corruption. In 1994, the SLG established a permanent commission to investigate charges of bribery and corruption against public officials. The commission has contributed to vigorous anticorruption enforcement, including several important drug-related cases. Three PNB officers were arrested in June 2003 and remain in custody at the end of the year under charges of possessing heroin. In December 2003, six police officers and a retired police deputy inspector general were arrested in connection with the apprehension of an alleged large-scale drug trafficker.

Agreements and Treaties. Sri Lanka has signed the 1988 UN Drug Convention and the 1990 SAARC convention on Narcotic Drugs and Psychotropic Substances. Implementing legislation for both conventions, initially drafted by the NDDCB in 1997, still had not reached Parliament at year's end. The Attorney General's office has reviewed the legislation and anticipates submitting it to Parliament in the early part of 2004. Sri Lanka is also a party to the 1961 UN Single Convention, as amended by the 1972 Protocol, and the 1971 Convention on Psychotropic Substances. Sri Lanka has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime. An extradition treaty is in force between the U.S. and Sri Lanka.

Cultivation and Production. With respect to the production of illicit narcotic substances, small amounts of cannabis are locally cultivated, with little, if any, impact on the United States. The majority of cannabis cultivation occurs in the jungles of southeast Sri Lanka. The police are actively engaged in locating and eradicating cannabis crops.

Drug Flow/Transit. Some heroin reportedly transits Sri Lanka. Customs officials and the PNB report that seizures occur both at Colombo's international airport and along the island's western coast, where narcotics are transported by ship from India. In 2003, the PNB continued receiving reports from India of large-scale seizures of heroin in Chennai, Tamil Nadu, which were allegedly headed for Sri Lanka. Due to the ceasefire between the government and the LTTE, the northwestern coastal waters have reopened to fishing and other commercial vessels, resulting in increased traffic in the area. The PNB reports that narcotics traffickers have taken advantage of this new situation, transiting the short distance across the Palk Strait from India and then to points in Sri Lanka. The PNB has said that this additional trafficking route, without additional police resources, has challenged the bureau's interdiction efforts. With no coast guard, Sri Lanka's coast remains highly vulnerable to transshipment of heroin from India.

The PNB also reports some evidence that Ecstasy has appeared, in limited quantity, in social venues in the capital city. The drug is most likely trafficked from India. Investigations of this very small-scale problem reportedly did not result in any seizures during 2003.

Domestic Programs. The government maintains an excellent record on drug awareness programs and on demand reduction. The NDDCB, through international and local funding, provides training on prevention techniques and operates four free treatment and rehabilitation centers in Sri Lanka. Both the PNB and NDDCB offer courses to judicial officials, police officers, military personnel, students, teachers, and parents. In June 2003, the PNB devoted an entire week to a public drug awareness campaign, reaching out to schools and communities from police stations around the island. The Colombo Plan also continued extensive rehabilitation and prevention training programs. Until 2002, the Colombo Plan worked primarily with NGOs in Sri Lanka. In light of the continuing ceasefire, the PNB and Colombo Plan have joined together to provide additional narcotics prevention training for PNB's own officers, as well as more interdiction support.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. The USG continued its strong relationship with the SLG on counternarcotics issues. The USG remains committed to fostering increased capacity and co-operation among law enforcement and other government officials working on narcotics issues in Sri Lanka and the region. The USG, as the main contributor to the Colombo Plan's Drug Advisory Program (DAP), provided over \$920,000 to the program in 2003. The funding was used to conduct regional and country-specific training seminars with government and NGO representatives on education, awareness, rehabilitation, and prevention techniques. The DAP also contributed directly to awareness campaigns in Colombo.

The Road Ahead. The USG will continue to work with Sri Lankan counternarcotics organizations, whenever possible, particularly by speaking at or otherwise participating in seminars addressing the

drug problem. The overall level of U.S. counternarcotics assistance to Sri Lanka is expected to increase in 2004 with the implementation of USG-sponsored community policing and management training programs for the PNB. The U.S. expects to continue its support of the Colombo Plan, and already has agreements to conduct narcotics officer training with regional government officials through the Colombo Plan organization.